Shutdowns planned elsewhere, too

Chrysler K-car plants going down early

Continued from Page 1

on borrowed time, is scheduled to resume operations today (Dec. 15) and will work until the Christmas break. It had been closed since Dec. 1. Lynch Rd. builds the full-size Chrysler, Dodge and Plymouth models.

Chrysler had planned to mothball the plant after the 1980 model run but dealer pressure caused the company to recant. Much of the demand was for fleet cars and the dealers guaranteed orders of 18,000. UAW President Douglas Fraser, a member of the Chrysler board of directors, said the company planned to build about 5,000 units a month.

At the time, Chrysler gave no promise of the length of Lynch Rd.'s reprieve and sales of the full-size cars have been low while inventories are high.

Among industry observers, there is speculation this plant may still be mothballed.

According to sources, there will also be heavy downtime in January at other Chrysler plants, both U.S. and Canadian, as inventories continue to balloon.

Chrysler's Windsor point, source of the Imperial, Cordoba and Mirada, has been closed since Nov. 24 to try to balance inventories. The plant will resume operations today (Dec. 15) and will work through Dec. 23.

However, the 3,500 hourly workers there will be idled again the weeks of Jan. 5 and 12 as the plant closes again to cut inventories. It is scheduled to resume operations Jan. 19.

The Pillette Rd. truck plant, also in Windsor, will also work through Dec. 23 but will be closed the week of Jan. 5, reopening Jan. 12. The move temporarily idles 2,500 hourly workers.

The heavy downtime schedule may also extend to parts plants such as Trenton, Mich., source of the engines for the Omni and Horizon; New Castle, Ind., forging and machining; Mound Rd. (Detroit), engines and Kokomo (Ind.), transmissions, in other attempts to cut costs.

• Sales of all Chrysler cars have continued to slide and have been especially poor as the interest rates keep rising. Sales of the Omni are off more than 14 percent for the year compared with 1979, while Horizon sales have dropped more than 10 percent.

Inventories of Omni have swollen to 138 days, and Horizon has 130 days, both more than double the normal supply. The only car in the industry topping those figures is the Dodge Mirada with 149 days' supply. Running close behind is the Ford Granada with 133 days.

The K-cars, the Reliant and Aries, have 99 and 97½ days supply, respectively, and are not living up to the schedule needed for the target of 490,000 sales in the 1981 model year.

Since their introduction in October, 34,000 compact K-cars have been sold compared with 49,000 Ford Escort and Mercury Lynx subcompacts. Both the K-cars and the Escort and Lynx have been in head-to-head competition for the buyer dollar and the Ford models are less expensive.

Chrysler has said it would build only to dealer order to avoid such high inventories. Some industry observers say the company was overly ambitious in its sales forecast for the K-cars and is now paying the price with bloated inventories.

Facing an uncertain future, JRT schedules cutbacks

Continued from Page 1

and Spitfires, both discontinued models.

Sales for the entire JRT organization for the 11 months ended Nov. 30 were down over 10,000 units from 1979 to 30,583 from 41,120.

Massive rebates have been offered on the TR-7 to bolster sales and totals have been running slightly ahead of last year to date. Sales of Jaguars are about normal.

Automotive News also learned that JRT is considering abandoning the sports-car market, its mainstay for many years, in favor of only Jaguar. This brought a flat denial from the company.

One source said that both Rover and the JRT sports cars are in "big trouble." This source also said there was a meeting of highly placed BL, Ltd. executives three years ago which studied the financial and economic ramifications of sports cars. At that time it was decided that the company could not develop a new model because of cost so the market should be abandoned, but no date was set.

• This same source described the situation of JRT in the U. S. as "terminal" with respect to the Rover and the Triumph and the basic reason, the source said, has been the failure of the company to come up with a development program to evolve a modern two-seater automobile.

The parent company, BL, Ltd., has often been accused of failing to develop modern replacements for its products. A case in point was the MG, which had long passed its prime in technical innovation but which remained the best-selling model for JRT because of the devoted following it developed over the years.

According to the source, TR-7 sales have been holding only because of massive rebates and "enormous support" in the form of advertising.

The question of whether JRT would abandon all but Jaguar and even in that seek another marketing partner, again brought a flat denial from the company. The company has bought out three of its independent distributors and the JRT spokesman said such a move would be a step backward.

He did note that JRT, as have others, has been looking for partners but nothing has materialized.

"The company intends to remain in the market," he said.

• But the symptomatic problems with JRT here stem from the parent company in Great Britain, where serious problems have been mounting.

The company was forced to close its MG plant in Abingdon and cease production of that marque.

A JRT spokesman stressed that the company intends to introduce its '81 models of Jaguar and Triumph to dealers in meetings this week.

'Excitement '81' heralds auto show in Detroit

DETROIT. — The 65th Detroit Auto Show gets under way at Cobo Hall here Jan. 10 under the banner "Excitement '81."

Sponsored by the Detroit Auto Dealers Assn. and chaired by R. F. Whelan, a Sterling Heights Chevrolet dealer, the 1981 show runs through Jan. 18 and is expected to attract an audience from all parts of southeastern Michigan and southwestern Ontario.

Whelan said the show is planned to be "exciting and educational. It gives everyone a chance to see how the emerging product lines compare with one another in price, fuel efficiency and comfort."

The Detroit Auto Dealers Assn. emphasized credit would be available to all new-car buyers at the auto show.

The 11-member auto show committee has developed a number of special events for the week including kids' nights, celebrity night and new-car auction nights.

The eve of the show will again be a charity preview night, with three Detroit-area organizations sharing the proceeds: Boys' and Girls' Club of Metropolitan Detroit, Easter Seal Society for Crippled Children and Adults in Wayne, Oakland and Macomb counties, and Assistance League to the Northeast Guidance Center.

McLaren Mustang

The McLaren Mustang M-81, powered by a Ford 2.3-liter turbo, sports flared fenders plus front air dam that directs air to both front brakes and through the functional waste-gate hood. Other features of this street car are Firestone HPR tires, Koni shocks, a roll bar, Recaro seats and an engine dress-up package and optional suspension pieces. The McLaren Mustang is offered in very limited numbers (249) through Motorsport, Birmingham, Mich.

New-car inventory swells to 65 days as sales falter

Continued from Page 1

percent, and VWoA, 2.42 percent.

A month earlier, the new-car inventory was divided as follows: GM, 53.69 percent; Ford Motor Co., 25.51 percent; Chrysler Corp., 15.90 percent; AMC, 2.95 percent, and VWoA, 1.95 percent.

• By size class, the Dec. 1 domestic new-car inventory was heavier than a month earlier in all segments except luxury.

The industry had a 76-day supply of subcompacts, up from 65 days Nov. 1, and a 68½-day stock of compacts, up from 61 days.

Intermediates were in 66-day supply, compared with a 55-day stock a month earlier, while standards were in 53-day supply, up from 48 days. The luxury segment held steady at 40 days.

The Dec. 1 inventory was divided this way by market class: Subcompact, 23.73 percent; compact, 30.73 percent; intermediate, 29.83 percent; standard, 11.53 percent, and luxury, 4.18 percent.

A month earlier, the inventory was divided this way by size class: Subcompact, 23.58 percent; compact, 29.80 percent; intermediate, 30.27 percent; standard, 11.72 percent, and luxury, 4.63 percent.

The Dec. 1 days-supply figures by market class were:

Subcompact—Escort, 41; Monza, 44; Lynx, 51; Pinto, 61; Bobcat, 72; Sunbird, 77; Rabbit, 77; Chevette, 90; Spirit, 96; Horizon, 130, and Omni. 138.

Compact—Skylark, 35; Omega, 45½; Zephyr, 46; Phoenix, 51; Concord, 57; Fairmont, 65; Citation, 68; Camaro, 74; Volare, 83; Eagle, 83; Capri, 89; Aspen, 89½; Mustang, 95; Firebird, 95½; Aires, 97½, and Reliant, 99.

Intermediate—Cutlass, 39; Regal, 40; Century, 45; Supreme, 48; Malibu, 62½; Grand Prix, 63; Monte Carlo, 78; LeMans, 78; LeBaron, 78; Cougar, XR-7, 86; Thunderbird, 96; Diplomat, 103; Cougar/Monarch, 105; Cordoba, 127; Granada, 133, and Mirada, 149.

Standard—Oldsmobile 98, 33; Oldsmobile 88, 35; LeSabre, 37; Electra, 39; Mercury, 53; Chevrolet, 59; Pontiac, 65½; Gran Fury, 72; Ford, 75; Chrysler, 78, and St. Regis, 99.

Luxury—Cadillac, 27; Riviera, 29; Eldorado, 31; Toronado, 32; Seville, 42; Corvette, 62½; Lincoln, 67; Mark VI, 69, and Imperial, 90.

Lucini elected

WEST BRIDGEWATER, Mass. — Julian (Jiggs) Lucini, of Lucini Motor Sales, Inc., has been elected chairman of the New England Ford Dealers Assn.

New attempt expected next year

Long air-bag battle changes nothing

WASHINGTON. — The 1980 version of the air-bag war is over.

It appears to have been a year-long waste of time for, as Congress heads home for the winter recess, auto makers find themselves facing the same standards and deadlines they did at the end of 1979: Passive restraints must be in large cars in 1982, in medium-size cars by 1983, and in small cars by 1984.

In the final analysis, many of them are probably thankful for that, however, for it looked for a time that Congress might actually mandate the use of air bags in certain vehicles.

Congress has had twin concerns for the industry's depressed financial condition and the impact of the Japanese. At the behest of General Motors, Ford Motor Co. and the other domestic makers, a House-Senate conference committee had worked out compromise legislation that would have delayed the standard for one year while also turning it around so that small cars would need to be fitted with passive restraints first. It was reasoned that this would give the industry some temporary financial relief and also put the Japanese on equal competitive footing.

In exchange for this delay, safety proponents demanded that air bags be available in at least one car line beginning in 1983. The conference committee agreed to that, making it applicable to the five largest manufacturers, GM, Ford, Toyota, Nissan and Volkswagen.

The Senate had no trouble agreeing to this plan but the House had different ideas, and in the end shot it down not once, but twice.

The first time around the vote was in favor of the measure but it failed to pass for lack of a two-thirds majority. In late November the measure was brought up again and this time failed by three votes, 189 to 186 largely at the doing of Michigan Democratic Representative John Dingell, who argued that Congress should not be in the business of legislating technology.

A final effort to pass a further compromise measure that would have eliminated the air-bag requirement but left the one-year delay of the standard plus its reversal in place, failed in early December by a vote of 205 to 126 for lack of a two-thirds majority.

Air-bag legislation is expected to come up again next year.

But, the survivors of '80 will still find it difficult

Death knell won't toll as often for dealers in '81

By Kathleen Hamilton
News Editor

The death knell for auto dealerships isn't likely to toll as frequently during 1981 as it has in 1980, but the year promises to be a difficult one, nonetheless, for the survivors.

The number of U. S. dealerships handling domestic lines has declined every year since 1956, and the total dealer population —including the import-car outlets—has seen only one up year —1966—in 23 years. So it's not a question of whether 1981 promises to be up or down, but, simply, how far down?

Interest rates will be the major determinant, of course, and at least one auto analyst foresees last year's peaks and valleys in the prime rate will level out around 14 percent sometime in February, 1981, and average about 12 percent through the end of the year.

"Under these conditions, dealer mortality will get back to normal rates," said Arvid Jouppi, analyst for John Muir & Co.

He anticipates less than 400 domestic-car dealerships will be shuttered in calendar 1981, about two percent of the 21,945 counted in the Oct. 1 AUTOMOTIVE NEWS dealership census.

That certainly represents an improvement from the 1,434 dealers who closed their doors in the first nine months of 1980, representing more than six percent of the local domestic-car outlets.

Pent-up demand

Jouppi's rather optimistic forecast for the nation's auto dealers is based in part on his analysis of a pent-up demand for new cars.

"The market for cars is strong —so strong that it is battling through some extremely hard conditions," he said. Rising prices and interest rates would have choked off demand for the imports if the market weren't so strong, he said.

But dealers suffer from declines in the interest-rate roller coaster as well as the inclines, as customers delay purchases in hopes of even better rates. Recovery takes a good 60 days, according to one analyst.

Fluctuations in the prime have been so frequent in '80 that "there's not a dealer in the country who can operate intelligently with the interest rate jumping in that way," Jouppi pointed out.

The Federal Reserve Board holds the Tarot cards for '81, of course, and no one gets more than a peek, but the economic downturn promises to slow inflation of its own accord, without any help from the Fed in the form of discount rates that manifest themselves in interest-rate hikes.

Easing the fall

And that could mean a bit of good news for dealers, if interest rates stabilize and would - be buyers return to the marketplace.

Jouppi also pointed to the ironies of evolution — dealers who have survived 1980 are the strongest, and their share of the 1981 sales pie should be larger.

Service needs of the nation's fleet also put a floor on the number of outlets which will close.

But times look difficult for those who remain. In most cases, they have already trimmed operations to the bone.

Net working capital and cash on hand have decreased dramatically for a significant number of dealers during the last 20-24 months, according to NADA.

Restructuring of the dealer discount rates hasn't been a boon, and the new, small fleet that America's dealers sell reduces the profit possibilities as well.

On the positive side are the recent wave of Small Business Administration loans and changes in franchise agreements at General Motors and numerous import lines.

U. S. OUTLETS

Date	No. of Retail Outlets	Pct. Gain or Loss from Previous Year
Jan. 1, 1957	39,138	n/a
Jan. 1, 1958	39,108	−0.1%
Jan. 1, 1959	37,558	−4.0%
Jan. 1, 1960	36,336	−3.3%
Jan. 1, 1961	34 303	−4.2%
Jan. 1, 1962	33,461	−3.9%
Jan. 1, 1963	33,308	−0.9%
Jan. 1, 1964	33,291	−0.1%
Jan. 1, 1965	33,360	−0.2%
Jan. 1, 1966	33,114	+0.7%
Jan. 1, 1967	31,584	−4.6%
Jan. 1, 1968	31,101	−1.5%
Jan. 1, 1969	31,076	−0.1%
Jan. 1, 1970	30,842	−0.8%
Jan. 1, 1971	30,314	−1.8%
Jan. 1, 1972	30,150	−0.5%
Jan. 1, 1973	30,094	−0.2%
Jan. 1, 1974	29,998	−0.3%
Jan. 1, 1975	29,701	−1.0%
Jan. 1, 1976	29,309	−1.3%
Jan. 1, 1977	28,744	−1.9%
Jan. 1, 1978	28,656	−0.3%
Jan. 1, 1979	28,512	−0.5%
Jan. 1, 1980	27,916	−2.1%

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Changing agreements

NADA reported Chrysler Corp. and American Motors have agreed to look at their sales and service agreements, with an eye to giving dealers a larger role in determining their financial futures.

New franchise agreements have already been signed this year by General Motors, Datsun, Toyota and Mercedes-Benz. New agreements are on the way for Subaru, Alfa Romeo, Volkswagen and Porsche-Audi dealers, according to Walter Huizenga, NADA chief counsel.

NADA has been singing the praises of the new sales and service agreements, especially those by GM, Datsun and Subaru, as making marked improvements from dealers' point of view. It is hoping to take similar strides among the remaining imports and domestics.

American Motors last overhauled its AMC and Jeep franchise agreement in 1972, following the firm's acquisition in 1970 of Jeep Corp.

The Renault franchise agreement was new in 1979, when AMC and the French auto maker joined first for a marketing agreement.

The first wave of AMC dealers who signed on Renault were brought on for two years. That's the length of term AMC otherwise reserves for dealerships which are deficient in capital investment of facility.

Otherwise, AMC, Jeep and Renault agreements run 10 years.

NADA targets

AMC and Chrysler Corp. have been targeted by the NADA for negotiations on revamping their aging franchise agreements. The dealer group said both makers indicated a willingness to discuss the issue.

Ford Motor Co. talks are a bit further down the line, according to NADA. Its last overhaul of the sales and service agreement was in 1972. Ford dealers have continuous - term agreements, rather than a set time period.

Volkswagen of America's five-year franchise agreement is due to be renewed Dec. 31, 1981. The first time VW, Porsche and Audi dealers had the five-year contract with a standard expiration was 1977.

The recently signed sales and service agreements give a hint as to what dealers will be expecting from other makers in the near future. The goal—as it has been since the start of the franchise system in the early days of the auto—is more of a bilateral agreement.

The sales and service agreements have been returning to simpler language.

Another trend analysts note is a lessening of restrictions so that dealers may take on other lines, although a number of the most successful import lines are requiring facilities which effectively guarantee that they must be exclusive.

Datsun's franchise agreement has been extended from a three-year term to a perpetual one.

And NADA reported Subaru's recently revamped dealer agreement incorporated "all or part of virtually every recommendation" the dealers made.

The big issues can be seen in the new General Motors franchise agreement. Although it incorporated some changes instituted earlier by other makers, it also promises to set a pattern for those that follow.

Distribution revamped

One of good changes for GM dealers will be in the area of distribution, explained H. E. "Buddy" Derrick, who heads NADA's Industry Relations Committee, which spent two years with GM negotiators on the new sales and service agreement.

GM now allows a dealer to find out, line by line, how many cars his zone received and his particular dealership's percentage share. It is part of the agreement's specific commitment to distributing cars in a "fair and equitable manner."

Warranty reimbursement has been a cause celebre among dealers ever since Henry Ford first declared that any one who held a Ford franchise would be responsible for servicing any Ford which happened into the area.

(Another suggestion, which apparently never made it into the Ford rule book for dealers, was to tow disabled Fords only after nightfall—because a disabled Ford in full sunlight was a bad advertisement, author Alan Nevins reported in "Ford: The Times, the Man, the Company.")

Warranty advances

GM's new franchise agreement promises "fair and adequate reimbursement." But Herb L. Galles Sr., who holds major shares in six Western GM dealerships and who helped orchestrate the 1950s industrywide overhaul of the franchise system, sees another helpful trend in warranties.

The extended warranty plans which are spreading throughout the industry help take pressure off the dealers to make good on items which go bad just after the warranty expires, Galles explained.

"It's a never-ending problem, but I've seen improvements," Galles said of the rate of reimbursement for warranty work.

A say in location

GM dealers are now informed when the corporation is considering putting another outlet in the area. They may present data showing why a new franchise should not be approved.

It's a measure which stands in stark contrast to the first decade of the 20th century, when auto stocks far exceeded demand, yet manufacturers subscribed to a policy of annually increasing the dealership population while forcing dealers to take as many cars as could be built.

Makers have mellowed over the years—GM, for example, began population studies as early as the 1920s to determine which markets weren't saturated. But "stimulator dealers" were still used well past World War II by a number of makers to increase competition among their dealers.

Advances in dealer indemnification from product liability suits and better allowances for transportation - damaged products are other topics covered by the recently revamped agreements that are likely to come up in negotiation sessions with other makers.

The quarterly price hikes the industry seems to have locked onto will demand improvements in price protection, dealers say.

And even though the car companies are strapped for cash to develop new products, a number of the major imports are examining their chances of setting up in-house finance companies to help cushion dealers from interest-rate hikes of the ilk of 1980.

Florida's top brass

Taking over leadership of the Florida Automobile Dealers Assn. are, from left: J. W. Leonard, Buzz Leonard Chrysler-Plymouth, Inc., Panama City, secretary-treasurer; John C. Dingman, Dingman-Hatch Pontiac-Cadillac, Inc., Ocala, president-elect; Thomas J. Hawes, Hawes Chrysler-Plymouth, Inc., Gainesville, president; Edwin H. Hallett, Hallett Pontiac, Inc., Miami, immediate past president, and Dennis C. McNamara, McNamara Pontiac, Inc., Orlando, NADA director.

Solid gold for Cadillac

J. Saxton Lloyd, center, celebrated his golden anniversary as a Cadillac dealer in the best of company: Cadillac Motor Car Division general manager Edward C. Kennard, right, and the Division's general sales manager L. B. Pryor. Lloyd owns Lloyd Buick-Cadillac, Inc., Daytona Beach, Fla.

November totals down for second month

'81 model sales still lack spark

Continued from Page 14

43,088 units to 24,211, while the heavies were off 22.8 percent, 43,609 versus 56,506.

Ford dealers retailed 60,277 units during the month, down 28.6 percent from last year's 84,465. The total included 4,625 Couriers, compared with 5,464 in 1979.

Thorough November, Ford sales totaled 737,268 units, a decline of 33.4 percent from last year's 1,107,833.

Chevrolet reported that its dealers sold 53,898 vehicles during the month, including 5,388 LUVs. The total was 32.5 percent below last year's 79,857, which included 7,642 LUVs.

The 11-month Chevrolet count was down 34.2 percent, from 1,062,864 units in 1979 to 699,854.

Dodge and Chrysler-Plymouth dealers sold 12,896 trucks in November, off 25.7 percent from the previous year's 17,354.

The January-November total of 235,833 deliveries was down 35.2 percent from the year-earlier 364,090.

GMC sales during the month were down 34.8 percent, from 20,310 a year ago to 13,249. The 11-month total of 172,275 units was 26.7 percent lower than the 272,290 vehicles retailed in the same period in 1979.

• Sales of Jeep four-wheel-drive vehicles were down 50.4 percent during the month, 6,163 versus 12,414. The 11-month total was 72,291, a decline of 44.2 percent from the 129,658 retailed through November a year ago.

Volkswagen dealers, in their first full year in the compact-pickup market, retailed 1,773 units in November. It brought the 11-month total to 23,442 units.

Sales of Mercedes-Benz mid-range diesel trucks were down 13.8 percent in November, from 419 a year ago to 361.

Toyota dealers retailed only 6,310 pickups during the month, a decline of 49.4 percent from last year's 12,471.

In November, Datsun outlets sold 7,503 compacts, a decline of 3.8 percent from the 7,802 sold in the same month a year ago.

Mazda sales were down 8.3 percent during the month, from 744 units in 1979 to 682.

Big Three November, year-to-date truck sales

	November		Year to date	
	1980	1979	1980	1979
Ford				
Vans	8,117	10,305	96,437	159,930
Club Wagon	2,051	2,502	23,151	36,480
Courier	4,625	5,464	72,749	72,174
Bronco	3,370	6,402	36,755	64,470
Conventional Pickups	38,394	54,303	443,850	687,158
Mediums	3,063	3,978	51,141	65,622
Heavies	657	810	13,185	21,999
Chevrolet				
Vans	5,931	9,669	82,265	158,103
Sportvan	1,149	2,065	15,738	28,755
LUV	5,388	7,642	83,507	92,859
El Camino	3,152	3,867	38,345	49,013
Blazer	1,589	4,622	24,969	54,149
Suburban	1,017	2,095	19,292	35,404
Conventional Pickups	34,155	46,708	405,631	602,551
Mediums	1,496	2,987	28,168	38,613
Heavies	21	202	1,939	3,417
Chrysler				
Vans	3,696	6,224	63,556	117,218
Voyager	349	599	6,169	9,450
Ram Wagon	1,104	1,712	19,652	28,452
Arrow	949	977	17,637	13,746
Ram-50	2,749	1,980	42,554	29,683
Trail Duster	201	275	3,125	5,235
Ramcharger	429	737	7,015	13,662
Conventional Pickups	9,918	6,701	76,125	146,644
GMC				
Vans	1,286	2,530	19,816	39,096
Caballero	394	431	4,156	5,940
Jimmy	372	967	5,207	11,106
Suburban	204	422	3,924	6,608
Conventional Pickups	7,892	12,367	94,919	155,404
P models	260	160	3,439	4,859
Mediums	1,410	1,733	22,883	27,230
Heavies	1,431	1,700	17,931	21,661
Motor homes	.....	.....	.....	376

factories list auction dates

American Motors

Dec. 16—Aptco Auto Auction, 20911 Gladwin, Taylor, Mich.

Dec. 17—Kansas City Automobile Auction, 1100 Elmwood Ave., Kansas City, Mo.; Southern Auto Sales, S. Main St., Warehouse Point, Conn.

Dec. 18—Fredericksburg Auto Auction, U. S. 1 Alt., Fredericksburg, Va.

Dec. 19—Concord Auto Auction, Hosmer St., Acton, Mass.; Floyd Hauhe Auto Auction, 12000 St. Charles Rock Rd., Bridgeton, Mo.

AMC sales are open to all dealers.

Chrysler Corp.

Dec. 16—Hatfield Recon Center, Rte. 309, Hatfield, Pa.; Arena Auto Auction, 10355 S. Woodlawn, Chicago.

Dec. 17—St. Pete Auto Auction, 14950 Roosevelt Blvd., Clearwater, Fla.; Ohio Auto Auction, Columbus, O.; Al Eide's Minneapolis Auto Auction, 1125 A Nathan Lane N., Minneapolis.

Dec. 18—Clanton's Auto Auction, 1027 Pearl St., Darlington, S. C.; Salt Lake Auto Auction, 460 Orange St., Salt Lake City.

Dec. 19—Concord Auto Auction, Hosmer St., Acton, Mass.; Floyd Hauhe Auto Auction, 12000 St. Charles Rock Rd., Bridgeton, Mo.

Dec. 23—Aptco Auto Auction, 20911 Gladwin, Taylor, Mich.; D-A Auto Auction, Waltz Mill Rd., New Stanton, Pa.

Chrysler sales are restricted to Chrysler Corp. dealers.

Ford Motor Co.

Dec. 16—Aptco Auto Auction, 20911 Gladwin, Taylor, Mich.

Dec. 17—Concord Auto Auction, Hosmer St., Acton, Mass.; Lakeland Auto Auction, I-4 at Hwy. 33, Lakeland, Fla.; Golden Gate Auto Auction, 6010 Stevenson Blvd., Fremont, Calif.

Dec. 18—166 Auto Auction, 2944 W. Sunshine, Springfield, Mo.

Used car sales

Auction averages

December to date	$3,429
Month ago	$3,726
Year ago	$3,153

Model breakdown

Auction averages

	December To Date	November	October
1980	$5,616	$6,088	$6,311
1979	4,739	5,015	5,021
1978	3,631	3,879	3,793
1977	3,027	3,091	3,120
1976	1,997	2,148	2,223
1975	1,605	1,674	1,804
1974	1,147	1,248	1,343
1973	900	987	1,079
Overall Average	$3,429	$3,795	$3,665

used-car auction directory

Display Rates: $53.00 per column inch (minimum space, 1 inch on 1 column). Listing Rates: (Maximum: Four lines of type - 1 time, $13.50; 13-times, $11.50, 26-times, $10.00, 52-times, $9.00. For Frequency Display Rates Contact Want Ad Dept., Automotive News, 965 E. Jefferson, Detroit 48207. Phone (313) 567-9520. Closing: 10 days in advance.

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Trails 1979 pace by 3 months

Year's car output reaches 6 million

By Patricia Hoffman
Staff Writer

U. S. auto production last week hit the six million mark for the year, more than three months behind the 1979 pace.

Auto makers completed 6.1 million by Sept. 8 last year.

Year-to-date, the domestic makers have built 6,077,864 cars, down 26.72 percent from the 8,294,794 assembled during the equivalent period in 1979.

Domestic makers scheduled output of 151,812 cars last week, up 5.68 percent from the 143,648 completed the previous week but down 19.15 percent from the 187,786 units assembled the comparable week last year.

Ford Motor Co.'s San Jose point (Mustang and Capri) closed for two weeks today, laying off 950 hourly workers.

Ford reopened its Atlanta and Dearborn points last week. The Lorain and Chicago plants will reopen today (Dec. 15) after shutting down Dec. 1 for inventory adjustments.

Chrysler Corp. will close its Jefferson and Newark (K-car) points today. Both plants will resume operation Jan. 5.

Chrysler's Belvidere plant, which closed Dec. 1, is slated to reopen Jan. 12. The Lynch Rd. and St. Louis points will remain open until Dec. 23 and then close for the holidays, and should resume operations Jan. 5.

Checker Motor closed its Kalamazoo point last week for inventory adjustment.

Saturday overtime was slated at two plants last week, Ford Metuchen and Ford Wayne.

GM has slated Saturday overtime at seven plants this week. They are Lansing, Flint, Arlington, Linden, Oklahoma City, Tarrytown and Willow Run.

The breakdown for last week's production was: GM, 63.20 percent; Ford Motor, 23.02 percent; Chrysler Corp., 8.59 percent; Volkswagen, 2.99 percent; American Motors, 2.15 percent; and Checker Motors, 0.05 percent.

breaking news

Continued from Page 1

initial budget of $3.5 million. It will be chaired by former Watergate Prosecutor Archibald Cox, with the assistance of Donald Kennedy, president of Stanford University, and William O. Baker, chairman of Rockefeller University.

EPA orders GM to recall 570,000 '79s

WASHINGTON. — The EPA last week ordered General Motors to recall 570,000 of its 1979 Pontiacs, Buicks and Oldsmobiles because they fail to meet oxides of nitrogen standards. EPA said the cars missed the 2.0-grams-per-mile standard by an average of 35 percent. The cars have 301-CID two-barrel V-8s and automatic transmissions. Models involved are the Pontiac LeMans, Grand Am, Grand Prix, Catalina, Bonneville and Firebird, the Buick Century, Regal and LeSabre and the Oldsmobile 98. GM has 45 days to submit a remedial plan or to request a public hearing.

Honda-Renault agreement hinted

TOKYO.—Reports here say that Honda and Renault may soon sign an agreement for joint production of a Renault model in Japan. Under an existing agreement, BL, Ltd., will produce a version of a Honda design in the UK. Under still another arrangement, between Nissan and Volkswagen, a VW model will be produced in Japan.

Chrysler extends Christmas downtime

DETROIT. -- Chrysler Corp. will extend Christmas downtime at five U.S. plants. The company's K-car plants, Jefferson Ave. and Newark; the St. Louis plant, and the Warren truck plant, originally scheduled to reopen Jan. 5, will not resume operations until Jan. 12. The Lynch Road plant, which reopens today (Dec. 15), will remain down after the holiday hiatus until Jan. 19. All plants will close Dec. 23 for the holidays. See story on Page One.

GMAC runs record radio campaign

NEW YORK. — GMAC is running a record radio schedule on CBS, NBC, Mutual and Keystone radio networks, with additional spots in the top 50 markets, during Dec. 10-23 and Jan. 5-26. Purpose is to point out that auto financing rates have not risen like the prime rate, that rates haven't changed much over the past few years and that GMAC financing is available at dealerships. Buyers are encouraged to visit dealerships.

TRUCK PRODUCTION IN U. S.†

	Week Ended Dec. 13, 1980	Same Week 1979	Week Ended Dec. 6, 1980	Dec. to Date	Jan. 1, to Dec. 15, 1979	Jan. 1, to Dec. 13, 1980
CHEVROLET	16,694	16,235	16,909	64,680	948,767	461,067
DODGE/PLYMOUTH	1,700	4,550	1,712	6,066	307,926	113,298
FORD	10,232	21,913	11,520	69,925	1,010,155	562,873
GMC	5,024	5,742	4,900	23,502	329,703	148,675
INTERNATIONAL	1,730	.....	1,726	6,788	115,642	63,164
MACK	485	630	248	1,934	35,389	22,010
JEEP	1,740*	2,975	1,740*	8,843	182,429	77,861
AMC CORP.	85*	450	85*	425	21,405	7,956
VOLKSWAGEN	650	869	687	2,976	1,798	26,404
MISCELLANEOUS	500*	900	600	2,400	40,100	36,025
Total Trucks, U. S.	38,840	54,264	40,127	187,539	2,993,314	1,519,333

CANADIAN TRUCK PRODUCTION

	Week Ended Dec. 13, 1980	Same Week 1979	Week Ended Dec. 6, 1980	Dec. to Date	Jan. 1, to Dec. 15, 1979	Jan. 1, to Dec. 13, 1980
CHRYSLER CORP.	1,600	1,600	1,666	4,679	55,577	48,988
FORD MOTOR	4,500	4,700	3,628	18,248	214,878	170,923
GENERAL MOTORS	6,838	6,038	7,256	30,691	281,186	232,743
AMERICAN MOTORS	.....	1,060	.....	.....	51,924	18,127
INTERNATIONAL	295	150	301	1,500*	19,981	15,389
MACK	40	60	50	148	3,757	1,999
Total Trucks, Canada	13,273	13,608	12,901	55,266	627,303	488,169
N. American Trucks	52,113	67,872	53,028	242,805	3,620,617	2,007,502

†—Now includes window van production. *—Estimated.
Jeep includes commercial vehicles only. AM General includes government-destined vehicles.

Truck production shows decline of 3 pct. for week

Domestic truck production so far this year shows a drastic decline from the 1979 year-to-date output.

Year-to-date, U. S. truck makers have built 1,519,333 units, a big 49.24 percent drop from the 2,993,314 units produced through the comparable week last year.

Last week's output was 38,340, down 3.20 percent from the previous week's 40,127 and down 28.42 percent from the 54,264 units assembled the same week last year.

Ford's Kentucky plant closed one line last week for inventory adjustment. Ford's Lorain (O.) truck plant will resume operations today after closing Dec. 1.

General Motors has slated Saturday overtime at three plants this week: Baltimore, Janesville, and St. Louis.

Chrysler closing, dip at Ford cut Canadian output

Canadian auto production dropped 22.22 percent last week as Chrysler Corp.'s Windsor car point continued downtime and Ford Motor Co.'s output was down.

The auto makers scheduled 15,611 units last week, down from the previous week's 20,073 and off 30.73 percent from the 22,537 completed in the comparable week last year.

Truck production, planned at 13,273 units last week, was up 2.88 percent from the previous week's 12,901 but down 2.46 percent from the 13,608 completed in last year's comparable week.

Chrysler's Windsor car plant, reopening today (Dec. 15) after being closed since Nov. 24, will remain closed after the holidays. It will resume operations Jan. 19.

In addition, Chrysler's Pillette Rd. plant will not reopen until Jan. 12.

The late reopenings are due to heavy inventories of unsold vehicles.

U. S. CAR PRODUCTION

	Week Ended Dec. 13, 1980	Same Week 1979	Week Ended Dec. 6, 1980	Dec. to Date	Jan. 1, to Dec. 15, 1979	Jan. 1, to Dec. 13, 1980
AMERICAN MOTORS	3,275*	4,125	3,275*	16,536	177,747	159,613*
Eagle	.....	.....	.....	.....	.....	.....
Concord	.....	.....	.....	.....	.....	.....
AMX	.....	.....	.....	.....	.....	.....
Pacer	.....	.....	.....	.....	.....	.....
Spirit	.....	.....	.....	.....	.....	.....
CHRYSLER CORP.	13,050	19,375	13,413	85,874	896,347	610,246
Plymouth Total	6,800	7,770	6,135	40,082	363,051	280,890
Horizon	.....	3,770	.....	8,616	166,614	141,735
Volare	.....	3,310	.....	.....	182,071	51,735
Gran Fury	.....	390	.....	269	5,074	14,069
Caravelle	100	300	123	525	9,292	5,925
Reliant	6,700	.....	6,012	30,672	.....	67,426
Chrysler Total	1,300	3,605	1,448	9,837	180,618	77,472
Chrysler	.....	855	.....	1,713	76,859	18,321
LeBaron	1,300	2,750	1,448	6,817	103,759	59,151
Imperial	.....	.....	.....	1,307	.....	.....
Dodge Total	4,950	8,000	5,830	35,955	352,678	251,884
Omni	.....	3,010	.....	7,320	145,258	118,933
St. Regis	.....	365	.....	574	25,429	12,864
Diplomat	550	1,225	616	3,185	50,484	29,155
Aspen	.....	3,400	.....	.....	131,507	36,881
Aries	4,400	.....	5,214	24,876	.....	54,051
FORD MOTOR	34,955	44,529	26,611	164,846	1,985,112	1,229,062
Ford Division	23,524	29,327	17,433	111,157	1,331,272	875,079
Pinto	.....	3,501	.....	.....	169,180	68,179
Must./Must. II	4,992	5,813	1,115	20,706	365,311	219,481
Fairmont	2,792	6,387	2,646	13,133	207,198	193,043
Granada	1,466	2,443	.....	15,441	138,661	100,255
LTD II	.....	.....	.....	.....	22,746	.....
Thunderbird	3,237	6,056	3,227	9,944	261,001	113,794
Ford	1,688	5,127	1,689	9,593	167,175	87,375
Escort	9,349	.....	8,756	42,340	.....	92,952
L-M Division	11,431	15,202	9,178	53,689	653,840	353,983
Mercury Total	9,763	11,660	7,492	44,598	505,236	304,484
Bobcat	.....	523	.....	.....	42,789	12,445
Capri	2,084	1,840	511	7 679	107,050	64,620
Zephyr	1,048	2,158	1,098	5,720	61,100	64,161
Cougar/Monarch	542	2,114	.....	.....	50,549	21,967
XR-7	1,357	2,455	1,217	9,641	135,406	55,983
Mercury	1,294	2,570	1,318	6,557	96,342	52,876
Lynx	3,438	.....	3,348	15,356	.....	32,432
Lincoln Total	1,668	3,542	1,686	9,091	148,604	49,499
Lincoln	831	1,161	842	4,606	70,815	21,178
Versailles	.....	243	.....	.....	11,864	1,866
Mark VI	837	2,138	844	4,485	65,925	26,455
GENERAL MOTORS	95,897	113,569	96,093	429,797	5,062,002	3,889,937
Buick Division	19,534	18,883	18,903	82,441	769,021	740,489
Skyhawk	.....	.....	.....	.....	24,419	.....
Skylark	4,949	4,543	5,371	23,178	116,627	207,639
Century	3,653	3,418	3,433	14,612	69,746	157,320
Regal	5,322	4,382	4,822	22,048	252,406	193,645
Buick	4,255	5,350	3,986	17,414	248,976	140,472
Riviera	1,355	1,190	1,291	5,189	56,847	42,013
Cadillac Division	5,972	7,200	5,462	22,289	338,512	190,738
Seville	1,005	1,180	1,026	3,337	47,117	32,867
Cadillac	3,688	4,630	3,228	13,378	226,253	106,693
Eldorado	1,279	1,390	1,208	5,574	65,142	51,178
Chevrolet Division	38,590	49,085	39,165	180,541	2,220,781	1,672,373
Chevette	9,505	8,900	9,491	41,496	404,502	437,428
Monza ('80)	.....	3,040	.....	10,053	154,736	147,768
Camaro	2,365	5,480	2,299	9,897	255,173	112,445
Citation	10,490	11,070	10,400	46,059	312,276	435,765
Malibu	6,690	7,165	7,185	29,920	382,706	255,720
Monte Carlo	3,740	4,510	3,958	16,879	225,424	117,235
Chevrolet	4,800	7,920	4,838	21,713	438,394	123,938
Corvette	1,000	1,000	994	4,524	47,570	42,074
Oldsmobile Division	22,498	21,906	23,152	91,046	1,010,552	735,709
Starfire	6,615	655	7,092	13,707	22,032	13,707
Omega	3,055	2,232	2,898	11,806	55,261	106,701
Cutlass	5,222	9,539	5,743	34,437	515,152	358,143
Oldsmobile	6,485	8,330	6,327	26,918	365,288	220,534
Toronado	1,121	1,150	1,092	4,178	52,819	36,624
Pontiac Division	9,303	16,522	9,411	53,480	723,136	550,628
Acadian†	255	300	257	1,305	16,761	18,432
Sunbird ('80)	.....	2,679	.....	13,475	103,041	145,628
Phoenix	2,731	2,883	3,023	13,914	85,766	129,500
Firebird	1,717	3,800	1,736	6,577	190,060	75,623
LeMans	1,620	1,730	1,491	8,021	87,805	61,035
Grand Prix	2,280	2,410	2,403	8,809	95,125	70,943
Pontiac	500	2,720	501	1,379	144,578	49,467
VOLKSWAGEN	4,550	6,081	4,171	19,905	169,107	185,950
CHECKER	85*	80	85	359	4,479	3,056
Total Cars, U. S.	151,812	187,786	143,648	717,317	8,294,794	6,077,864

CANADIAN CAR PRODUCTION

	Week Ended Dec. 13, 1980	Same Week 1979	Week Ended Dec. 6, 1980	Dec. to Date	Jan. 1, to Dec. 15, 1979	Jan. 1, to Dec. 13, 1980
AMERICAN MOTORS	591	.....	516	1,966	.....	2,526
CHRYSLER CORP.	.....	4,400	.....	1,404	126,528	67,514
FORD MOTOR	1,448	6,312	5,488	23,500	276,831	241,195
GENERAL MOTORS	13,347	11,600	13,867	63,378	545,169	485,991
VOLVO	225	225	202	1,102	8,575	9,572
Total Cars, Canada	15,611	22,537	20,073	91,360	957,103	806,798
N. American Cars	167,423	210,323	163,721	808,667	9,251,897	6,884,662
N. American Trucks	52,113	67,872	53,028	242,805	3,620,617	2,007,502
North American Cars and Trucks	219,536	278,195	216,749	1,051,472	12,872,514	8,892,164

†—All Acadians and Caravelles are built for sale in canada. *—Estimated.

12/24/80 C2700-1

Automotive News

Detroit, December 22, 1980

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Ford enlists Toyo Kogyo for help with '84 minicar

By Paul Lienert
Contributing Editor

DEARBORN.—Ford Motor Co. has asked its Japanese partner, Toyo Kogyo, to supply it with major components for a new U. S.-built front-drive minicar Ford plans to introduce in the 1984 model year to compete with the new front-drive S-car mini from General Motors, according to company sources here.

Ford apparently had discussed the minicar project with Toyota, but the Japanese firm reportedly is now seeking to launch a joint venture with Ford to build small commercial / utility vehicles in the U. S.

"We've discussed minicars with both companies, but the decision on who will build it or supply parts for it won't be made until after the first of the year," said Walter Hayes, Ford vice president for public affairs.

"The decision may be another seven to eight weeks away," he added.

Ford is seeking help from Japan in developing a front-drive minicar that would be smaller than its subcompact Escort because the U. S. firm already has its engineering and design capacity stretched to the limit in redesigning its larger cars over the next five years.

Briefly, Ford plans to introduce front-drive replacements for the Fairmont/Zephyr compacts in '83½, codenamed "Topaz;" front-drive replacements for the full-size Ford, Mercury and Lincoln cars in '86, codenamed "Taurus," and an all-new front-drive minicompact for 1986-87, codenamed "Optim."

The Optim program, which replaces the earlier Apex mini-

Continued on Page 21, Col. 3

'82 baby

Jim Dunne

Downsized Continental to replace Versailles

Ford Motor Co.'s entry in the luxury small-car market will be a downsized Lincoln Continental, expected next fall as a 1982 model. With an estimated length of just over 200 inches it will be a foot shorter than the Imperial and several inches shorter than Seville. It features the "bustle-back" look. Story on Page 2.

A Christmas Fantasy

or, Praise the Lord and Pass the Legislation

'Twas the night before Christmas and all through the land
New-car sales reminded of Custer's last stand.
From Boston to Dallas, L. A. to Ann Arbor,
Henry Ford warned us all of a new Pearl Harbor.
Like a modern-day Paul Revere in Fiesta he rode
And warned our economy imports would erode.

Doug Fraser joined ranks the makers to save,
Causing poor Walter Reuther to spin in his grave.
Since companies and union all shared common dread,
Politics had got these strange fellows in bed.
When Carter complained to Japan, why, by golly,
They were very polite and they told him "so solly."

Then Santa appeared in a shiny new car
Wearing a shirt that said "I shot J. R."
From the windblown snowdrifts we could see something climb;
A sleigh of reindeer? Good grief, it's the prime!
Past the top of the house like a space shot it went
Now 13, now 16, now 21 percent.

Santa's bag overflowed with fine gifts we all like—
Several liberal Congressmen's heads on a pike;
A new car for Volcker (with 24 percent loan),
For Mazda what looks like a Ford Escort clone;
For Reagan a four-year contract with no cuts,
For Carter a shortage and price hike for nuts;

A wealthy French suitor for poor AMC,
And a new Datsun truck plant for dear Tennessee;
New top-level bosses for GM and Ford,
At Chrysler, old Blue Eyes will help chair the board.
The Government sought to help Chrysler to live
So to help bail it out, it gave Lee a sieve.

When the Russians invaded and shouldn't have oughta,
Some Canadians couldn't get gas for their Lada.
Santa gave out the gifts and got into his sleigh
And 8-6-4'd through the night to the Pole far away;
But we heard him exclaim as he finished his job:
"Merry Christmas, Detroit . . . We'll miss you, Bob."

—RICHARD A. WRIGHT

Concessions sought from suppliers, workers, lenders

Chrysler asks another $400 million

By Edward Lapham
Financial Editor

Chrysler Corp. last week went back to its federal loan guarantee board with a request for $400 million in additional guarantees and a revised operating plan which lopped more than $1.0 billion from its spending needs.

The plan included proposed concessions and sacrifices from suppliers, workers and lenders as well as internal cuts which will alter future product programs and trim white collar employment by more than 2,000.

Chrysler Chairman Lee Iacocca told a press conference he believed the loan guarantee board can and will give provisional approval to the new plan which will allow Chrysler to solicit the required support from its constituents in order to qualify.

Iacocca said the new plan allows profitability in 1981 if Chrysler gets 9.0 percent of a 9.6 million car market.

Iacocca said the company would seek to draw down as guarantees for as much as the auto makers has the required "matching funds." He hopes to have the new loans by mid-January when the company will really need them.

"We feel we should draw down as much as we can qualify for because the roughest times are directly ahead of us," said Iacocca.

The company already has drawn down $800 million in guaranteed loans this year.

The loan guarantee board must approve the new plan as "viable."

When asked what happens without board approval, Iacocca said, "There is no future."

Iacocca said the company was not in a rush to draw down additional guarantees because it was uncertain of support from the incoming Reagan Administration.

He said he believes the new administration will honor the loan guarantee arrangement because it is law and "a national policy."

Chrysler also has sought aid

Continued on Page 21, Col. 3

breaking news

Cadillac Cimarron to start at $12,500

DETROIT.—The new Cadillac Cimarron, a luxury four-door version of the General Motors J-car subcompacts, will be priced at about $12,500 when it is introduced in early May. Two other J-car models, the Chevrolet Cavalier and Pontiac J-2000, will start at close to $6,500—higher than the compact X-cars, according to sources at GM.

600,000 suggestions from the staff

HIROSHIMA, Japan. — Employes of Toyo Kogyo Co., Ltd., offered some 600,000 suggestions for improving productivity and quality of Mazda vehicles during the past fiscal year, said Yoshiki Yamasaki, president.

See BREAKING NEWS, Page 23, Col. 1

Senate tables trade authorization measure, then adjourns

Japanese issue shuffled to Reagan

By Helen Kahn
Washington Bureau Chief

WASHINGTON.—One of the final acts of Congress was its decision to punt the auto import question to the Reagan Administration.

The Senate tabled the resolution that would have given the president authority to negotiate a reduction in Japanese auto imports.

President Carter had said he was not going to use the authority anyway. But the sponsor of the bill, Senator Donald Riegle, Michigan Democrat, said the overwhelming approval of the measure in the House and the Senate's 65-to-12 vote to table rather than kill the measure would be a signal to the Japanese.

As a result of the tabling, the Senate Finance Trade Subcommittee will start hearings even before President-elect Ronald Reagan is inaugurated Jan. 20.

Senator John Danforth, the Missouri Republican who cosponsored the Riegle resolution, will chair the subcommittee.

He promised quick action, starting with hearings "to probe in depth to determine the precise nature of the problem, the needs to modernize plant and all other aspects of the automobile problem, with a view for trying to reach a sensible governmental approach to dealing with it."

Senator Robert Dole, the Kansas Republican who will head the Senate Finance Committee, will become a key figure as his party's major spokesman on the Hill for trade and tax matters.

Dole noted the importance of

Continued on Page 4, Col. 1

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As part of $600 million request to UAW

Chrysler asks wage, pension freeze

By Marjorie Sorge
Labor Editor

Chrysler Corp. last week asked the UAW to up its ante another $600 million in the company's life - or - death game. It would make the union's total sacrifice to the company over $1 billion in the last year.

Chrysler is now pleading with the union to accept a wage freeze for the duration of the current three-year contract which expires Sept. 16, 1982.

According to UAW President Douglas A. Fraser, the freeze would include both cost-of-living - adjustments (COLA) and the 3 percent annual improvement factor and would be extended to all salaried, nonunion workers. Chrysler has also offered about 1,250 senior white-collar workers early retirement packages.

According to a Chrysler spokesman, the company has also asked that pension benefits be frozen as of 1981. He said health insurance benefits would be left alone and the negotiated increases would continue.

Making any more concessions to the company must be approved by the UAW membership and Fraser said he and Marc Stepp, union vice president and director of the Chrysler department, will recommend reopening negotiations on the current contract.

The 200-member International Chrysler Council meets today (Dec. 22) in Detroit, but no action can be finalized until at least Jan. 12 when most Chrysler plants reopen.

If the union accepts these conditions, Chrysler will save $250 million in 1981 and $350 million in 1982, but it may create problems for the union with other companies.

• Ford Motor Co. has indicated it will also be interested in asking the union for contract concessions "to remain competitive," a spokesman said. Peter J. Pestillo, Ford vice president for labor relations, has said the previous concessions to Chrysler have already put Ford at a competitive disadvantage.

If Ford does seek concessions it would leave the door wide open for General Motors, American Motors and supplier companies organized by the UAW to ask for concessions.

"If the UAW should make concessions to Ford and Chrysler, the next bargaining round will be very difficult," said Maryann Keller, vice president of Paine Webber Mitchell Hutchins, Inc. "How can they deal with GM?" she asked. "The union's bargaining power will be very weak."

She said she doesn't expect GM to ask for any concessions and said she sees this as the end to pattern bargaining, leaving each company to set its own pact with no guidelines from a "target" company.

Currently, however, the UAW has no real choice but to give Chrysler the concessions it is asking, according to one union source. But, he said, there will have to be a clause in the contract giving the money back to the workers if Chrysler becomes profitable.

• Lee A Iacocca, Chrysler chairman, told the UAW the company is in dire need of more union concessions if it is to survive. The question will be how much of the proposed package the union membership will agree to, UAW sources said.

Fraser told reporters, "I've never gotten everything I asked for in collective bargaining, and there's no reason to expect they will in this case."

"I don't have anything to negotiate with except their jobs," Iacocca said at a news conference last week.

The current proposal calls for hourly base wages of the workers to be frozen at $9.47 for the rest of the contract rather than being raised to $9.75 in 1981 and $10.04 in 1982.

With fringes included, the hourly rate would stay at $17.31 in 1981 rather than $20.45. In 1982, it would be $17.52 because of the "creep" increases in areas such as Social Security, instead of $22.11 with regular increases.

"We have a lot of good jobs at $17.50 an hour," Iacocca said. "We don't have any at $20 an hour."

According to a Chrysler spokesman, the workers just got an additional $2.31 an hour on Dec. 12 which was negotiated in the modified January, 1980, contract. The increase consisted of a $1.32 "float" and 99 cents COLA. Workers are not due for another increase until March, 1981.

In the normal round of bargaining in 1979 between the UAW and Chrysler, the union agreed to a contract giving the company $203 million in concessions. In January, 1980, the Loan Guarantee Act required an additional $243 million in savings from the union which brought the total to $446 million.

Future ideas on wheels

The Volvo Concept Car made its only U.S. appearance at Disney World, Orlando, Fla., where it highlighted introduction of the 1981 Volvo line. Joseph L. Nicolato, left, general manager of Volvo's U. S. Field Operations Division, discusses the "showcase" of future product ideas with Ray Tanner, president, Ray Tanner Motors, Phoenix.

Stockman holds key budget post on Reagan team

'Ventilation' of auto rules sought

By Helen Kahn
Washington Bureau Chief

WASHINGTON.—One of the truisms of government is that there exists a man behind the scenes who knows how things work and who can gum it all up when occasion demands.

In the Nation's Capital, there are many—in Congressmen's offices, in agencies, in departments. Some are more effective than others—some even as good as they themselves think to be.

But, as every bureaucrat knows, the single most powerful ally or enemy for their programs is a director of the Office of Management and Budget. And so do the lobbyists, since they may scurry there to reduce the budget of a line item, possibly even one of the agency head had just sweated blood to get pumped up.

As for reporters, they are lucky if they can even find the middle guy who is manipulating the pursestrings—much less getting him to talk, whether on or off the record.

The new head of that powerful office under the Reagan Administration is David Alan Stockman, of Michigan State and Harvard Divinity School. The Michigan Congressman, a 34-year-old bachelor and member of the House Commerce Committee, is well known to the auto industry, but perhaps not very well understood by anyone.

He is known for his gift of computer-like total recall, which can spew out enormous amounts of data. He can perform lightning calculations guaranteed to show the costs exceed the benefits.

Stockman's star was rising in Congress as a man who knows how to operate—he slipped in a couple of Chrysler amendments to the 1980 fuel economy law and he started the whole airbag debacle that Congress never did finish by a seemingly simple amendment, stating the consumer should have free choice of a restraint system.

His star rose even more when he drew Candidate Reagan's attention, first as a double for John Anderson (for whom he used to work) in a mock debate and then as a stand-in for Carter during another mock session.

Now he has a chance to show

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Kudos for K-car

DETROIT. — Motor Trend magazine has selected Chrysler's K-car as its Car of the Year and will announce the award shortly.

'82 Lincoln Continental smaller than Seville

By Paul Lienert
Contributing Editor

Ford Motor Co. is planning to unveil a new car next fall for those well-heeled souls who believe luxury should come in small packages.

Ford in '82 will offer its smallest U. S.-built luxury car when it introduces the new Lincoln Continental, the successor to the ill-fated Lincoln Versailles which was dropped for '81.

The '82 Continental will be considerably smaller than the competition from Chrysler and General Motors. Industry sources say the baby Lincoln will tip the scales at about 3,400 pounds—about 600 pounds less than the Chrysler Imperial and Cadillac Seville.

With an estimated overall length of just over 200 inches, the Continental will be about a foot shorter than the Imperial and several inches shorter than Seville.

The only U. S. luxury car that will be smaller than Continental in '82 is the Cadillac Cimarron, which bows in May. Cimarron is Cadillac's four-door version of the new General Motors J-car, a front-drive subcompact series that eventually will be offered by every GM passenger-car division.

A sneak photo of an early prototype shows the new Lincoln bears a strong resemblance to both the Imperial and Seville. The car carries the traditional stand-up Lincoln grille, flanked by dual rectangular headlamps. The rear end resembles the classic "bumbleback" styling theme revived last year on the new Seville and picked up this fall by the Imperial. The new Lincoln, as on past models, will also get a mock spare-tire motif on the deck lid.

The usual array of power equipment — brakes, steering, seats, windows—will be standard, along with a choice of custom sound systems and plenty of high-level trim options.

It is believed Ford will install

Continued on Page 4, Col. 3

Dec. 1-10 tally of 174,898 up nearly 5 percent

New-car sales top year-ago total

By Jenny L. King
Staff Writer

U. S. auto makers notched their fifth increase against 29 declines this year as Dec. 1-10 new-car sales squeezed ahead of the 1979 level. Early-December retail sales totaled 174,898, up 4.86 percent from 166,790 last year.

On a daily-rate basis, sales were down 6.79 percent. With nine selling days this year, the average was 19,433, compared with 20,849 based on eight days in 1979.

Three of the five major auto makers were up for the period. Chrysler Corp. announced a sales increase of 15.45 percent, to 18,535 from 16,054 last year (up 2.59 percent daily rate). General Motors sales of 108,585 were up 5.48 percent from 102,946 (down 6.24 percent daily rate). Volkswagen of America was up 36.31 percent to 3,690 from 2,707 (up 21.30 percent daily rate).

Ford Motor Co. missed its 1979 mark by a few hundred units. Its sales numbered 39,688, down 1.72 percent from 40,383 (down 14.47 percent daily rate). Estimated sales of American Motors cars were 4,400, down 6.38 percent from 4,700 (down 16.84 percent daily rate).

Of the early-December market, GM earned 62.08 percent, up from 61.72 percent. Ford's share slipped to 22.69 percent from 24.21 percent. Chrysler sales accounted for 10.60 percent, up from 9.63 percent. VWoA had 2.11 percent, up from 1.62 percent, and AMC dropped to 2.52 percent from 2.82 percent.

Seven U. S. makes reported sales increases compared with their year-ago levels. Plymouth sales climbed 37.65 percent, Dodge was up 29.09 percent, Ford was up 2.94 percent, Chevrolet was up 6.76 percent, Oldsmobile was up 0.92 percent, VW was up 36.31 percent and Buick leaped 60.83 percent. The wind-up of a long sales incentive program was responsible for the extraordinary performance at Buick.

Chrysler sales dropped 30.84 percent, Mercury was down 0.10 percent, Lincoln was down 43.99 percent, Cadillac was off 28.99 percent and Pontiac sales tumbled 23.08 percent.

Dec. 1-10 top-selling nameplates were: Chevrolet Citation, 10,117; Ford Fairmont, 8,408; Chevrolet Chevette, 7,570; Ford Escort, 7,224, and standard Chevrolet, 7,222. One year ago, the top five were Citation, standard Chevrolet, Chevette, Fairmont and Chevrolet Malibu.

Year-to-date domestic sales totaled 6,281,765, down 20.77 percent from 7,928,352 last year at this time.

DOMESTIC SALES

	Dec. 1-10, 1980	Dec. 1-10, 1979
AMERICAN MOTORS	4,400†	4,700†
Chrysler	3,360	4,858
Imperial	274	—
Plymouth	7,202	5,232
Dodge	7,699	5,964
CHRYSLER CORP.	18,535	16,054
Ford	28,184	27,378
Mercury	9,654	9,702
Lincoln	1,850	3,303
FORD MOTOR	39,688	40,383
Buick	24,666	15,337
Cadillac	5,652	7,959
Chevrolet	43,337	40,593
Oldsmobile	20,547	20,359
Pontiac	14,383	18,698
GENERAL MOTORS	108,585	102,946
VOLKSWAGEN	3,690	2,707
INDUSTRY TOTAL	174,898	166,790

† —Estimate.

IH expecting loss to follow 3-month gain

CHICAGO.—International Harvester Co. reported a profit in the final quarter of its 1980 fiscal year, but it is anticipating a loss in the first three months of fiscal 1981.

The company said earnings in the quarter ended Oct. 31 amounted to $20.2 million, down 86 percent from the year-ago $147.6 million. Sales totaled $2.32 billion, a drop of about 7 percent from last year's $2.49 billion.

A first-quarter loss is expected because "the recent sharp rise in interest rates is once again putting pressure on customer demand in all markets," said Archie R. McCardell, chairman.

He added that the company expects interest rates to decline gradually beginning in February or March, and that the company hopes to report a profit for the full year.

Harvester lost a record $397.3 million in fiscal 1980 as a result of a six-month UAW strike which ended in April and record interest rates that caused a sharp reduction in demand for the company's products, McCardell said.

Sales for fiscal 1980 were down 25 percent, from $8.39 billion the previous year to $6.31.

"In the two three-month periods following the strike," McCardell said, "International Harvester has reported earnings, has regained market-share momentum, has exceeded its cost-improvement targets and has maintained low dealer inventories."

Marking Mercedes milestone

Heinz Glass, left, general manager of the Mercedes-Benz diesel truck assembly plant in Hampton, Va., receives the keys to the 1,000th truck built in the U. S. from Glenn Ford, quality control inspector. Mercedes-Benz opened the plant in June.

1,000th U. S. Mercedes built

HAMPTON, Va. — Mercedes-Benz of North America reached a milestone with the assembly of the 1,000th truck at the company's plant here on Dec. 4.

Production started in early June with two trucks a day at the facility in Virginia's Tidewater region. As new personnel were trained in assembly techniques, production increased to the present 14 trucks a day.

The 1,000th truck was a white Mercedes-Benz L-1116, which has a gross vehicle weight of 25,000 pounds and is powered by a 160-HP turbocharged diesel engine. Major components for the milestone truck and others built in Hampton are shipped in semi-knocked-down configuration from the Daimler-Benz AG subsidiary in Sao Paulo, Brazil.

In addition to the L-1116, the Hampton plant also is producing the heavier L-1316 model, which has a GVW of 30,000 pounds. The two models account for more than half of the Mercedes trucks sold in the U. S.

Other models will be phased into the assembly operations later. These include the L-1013, L-1113 and the L-1418, which range from 22,000 pounds GVW up to 32,225 pounds.

The Hampton facility has an annual capacity of 6,000 trucks. However, due to startup proce-

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truck industry news

Totals down in 7 of 8 weight groups

October registrations drop to nine-year low

October registrations of new trucks of all types in the U. S. dropped to their lowest level since 1971, and were down 41 percent from the total for the same month a year ago.

During the month, according to R. L. Polk & Co. statistics, 185,434 units were registered, compared with 314,229 in 1979. In October 1971, the count was 185,356 units. It also was the first time in six years that the October total failed to top 200,000.

The 10-month total of 2,095,919 registrations was down 29.1 percent from last year's 2,957,752 units, with declines in all three market segments and in seven of the eight weight classifications.

Medium trucks have been hit hardest in the 1980 tallies, suffering substantial losses at both the high and low ends of the market.

Registrations of these vehicles through October totaled 54,306, a drop of 58.1 percent from the year-earlier 129,657.

Because of the slump in big motor-home sales, Group 4 tallies were down 96 percent, from 4,881 a year ago to only 199. Dodge accounted for 190 of the total and the miscellaneous group the other nine.

The switch from gasoline power to the heavier, more fuel-efficient mid-range diesels by operators of Group 6 trucks continues to erode that group's totals with the increased weight moving vehicles at the high end of the classification into Group 7.

Ten-month registrations of

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HD registrations for 10 months off 9.7 pct. from 1979

Ten-month registrations of new heavy trucks in the U. S. totaled 163,437 units, according to R. L. Polk & Co. statistics, a decline of 9.7 percent from the year-ago 181,053, the alltime high for the period.

October tallies, however, were down 22.5 percent from last year's record levels, from 19,665 to 15,243 units.

Through October, registrations of Group 7 trucks soared to 66,560 units, an increase of 65.5 percent over last year's 40,221. Group 8 tallies, on the other hand, were down 31.2 percent, from the year-ago high of 140,832 to 96,877.

International, which lost heavy-truck sales leadership as a result of the six-month UAW strike, continues to eat into Ford's lead. In November, 4,529 Groups 7 and 8 International

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Large and medium-size outlets fare better, survey finds

Bigger is better for RV dealers in '80

By Patricia A. Kelsey
Staff Correspondent

ST. PETERSBURG, Fla. — Parts sales in the do-it-yourself RV market have increased this year and RV sales in the large and medium-sized dealerships have increased, according to an AUTOMOTIVE NEWS survey here.

The big dealerships are continuing their winning ways and their strength has carried them through the rough market conditions to a point where they are now experiencing healthy sales gains.

The medium-sized dealers, like the strong dealers, report record increases, while the smaller dealer has remained the same saleswise this year as last.

Trends in buying patterns, by and large, find customers "finally cognizant of the fact that their newly purchased $10,000 car won't carry much weight, necessitating a forced move to lighter units," said one dealer.

Those who in the past bought the large units loaded with extras continue to want such units this year, other dealers reported.

A large-volume St. Petersburg dealer, C. J. Stoll had a busy summer and fall.

"We had a resurgence through May of last year, with a slight slackening through December, 1979," said Bob Troke, general manager. "Since that time we've sold the same number of units we did last year."

Summer is normally a slack period, he added, "but this year we made money in our five summer months."

The best movers are equally distributed, he said. Motor homes have been going well mainly because "we're heavy into motor homes. We do cover, though, the whole RV field with the exception of the fold-down units."

Troke said gross and profit margins are higher this year. On percentage of sales, he said profits are running about 17 percent. "But that's not a net figure, just a percentage of the profit of sales."

Although financing availabil-

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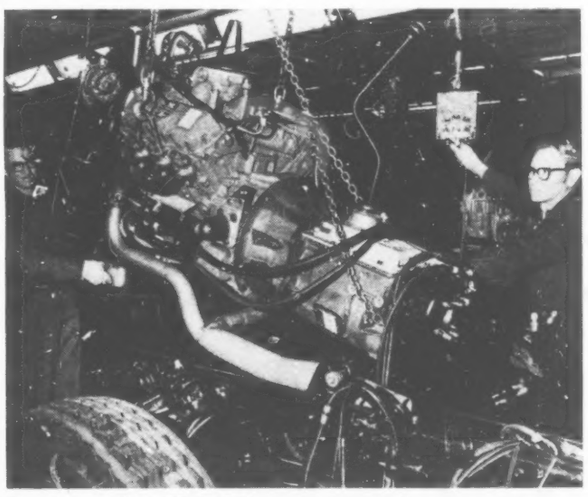

Ford installs 175,000th mid-range diesel

Ford Motor Co., which has been building mid-range diesel trucks since 1962, recently installed the 175,000 engine at its Kentucky Truck Plant. Ford claims it has produced more than 10 times the number of mid-range diesel trucks sold by all imported-diesel distributors since 1973.

U. S. TRUCK REGISTRATIONS

10 MONTHS, 1980 VS. 1979★

Based on R. L. Polk & Co. statistical report

	10 mos., 1980	Percent Share of '80 market	10 mos., 1979	Percent Share of '79 market	Pct. pt. Change, '80-'79
Ford	659,289	31.46	952,396	32.20	— 0.74
Chevrolet	619,896	29.58	926,989	31.34	— 1.76
Dodge	196,507	9.38	313,381	10.59	— 1.21
GMC	155,201	7.40	239,785	8.11	— 0.71
Jeep	68,153	3.25	120,445	4.07	— 0.82
International	60,271	2.88	99,775	3.37	— 0.49
Plymouth*	24,764	1.19	16,766	0.57	+ 0.61
Mack	18,000	0.86	25,044	0.85	+ 0.01
Kenworth	9,662	0.46	12,461	0.42	+ 0.04
Freightliner	9,148	0.44	11,229	0.38	+ 0.06
Peterbilt	6,019	0.29	7,324	0.25	+ 0.04
White	4,303	0.20	7,631	0.26	— 0.06
Autocar	1,293	0.06	1,824	0.06	.....
Western Star	933	0.04	963	0.03	+ 0.01
Volvo	745	0.04	522	0.02	+ 0.02
Diamond Reo	89	.....	.....	.....	.....
Miscellaneous**	261,646	12.48	221,217	7.48	+ 5.00
TOTALS	2,095,919	100.00	2,957,752	100.00	.....

★—No registrations for Oklahoma, 1980 and 1979; Kentucky, October, 1980.
*—Plymouth trucks are Trail Duster utility vehicles and Arrow pickups.
**—Miscellaneous includes Imports, Crane Carrier, Oskosh, FWD, Hendrickson, etc.
NOTE: 1980 figures include window vans, 1979 totals do not.

U. S. HEAVY DUTY REGISTRATIONS

10 MONTHS, 1980 VS. 1979★

Based on R. L. Polk & Co. statistical report

	10 Mos., 1980	Percent Share of '80 market	10 Mos., 1979	Percent Share of '79 market	Pct. Pt. Change, '80-'79
Ford	39,276	24.03	32,106	17.73	+ 6.30
International	32,340	19.79	56,828	31.39	—11.60
GMC	25,444	15.56	16,977	9.38	+ 6.19
Mack	17,510	10.71	25,044	13.83	— 3.12
Chevrolet	13,750	8.41	5,380	2.97	+ 5.44
Kenworth	9,662	5.91	12,461	6.88	— 0.97
Freightliner	9,148	5.60	11,229	6.20	— 0.60
Peterbilt	6,019	3.68	7,324	4.05	— 0.37
White	4,303	2.63	7,631	4.21	— 1.58
Autocar	1,293	0.79	1,824	1.01	— 0.22
Western Star	933	0.57	963	0.53	+ 0.04
Volvo	743	0.46	522	0.29	+ 0.17
Diamond Reo	89	0.06	.....	.....	+ 0.06
Miscellaneous	2,927	1.79	2,764	1.53	+ 0.26
TOTALS	163,437	100.00	181,053	100.00	.....

★—Groups 7 and 8 trucks only; no registrations for Oklahoma, 1980 and 1979; Kentucky, Oct., 1980.